

SENATE BILL 3427
By Jackson

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 52, relative to municipal authority to
operate services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-52-103(c), is amended by deleting the subsection and by substituting instead the following:

(c) In addition to the authority granted under otherwise applicable law, each municipality operating an electric plant has the power and is authorized on behalf of its municipality, acting through the authorization of the board or supervisory body having responsibility for the municipal electric plant, to establish a joint venture or other business relationship with one (1) or more third parties to provide the services authorized by §7-52-601. Any such joint venture or other business relationship shall be subject to the provisions of §7-52-601(a)(2) and §§7-52-602 - 7-52-609.

SECTION 2. Tennessee Code Annotated, Section 7-52-601(a), is amended by deleting the subsection and by substituting instead the following:

(a)

(1) Each municipality operating an electric plant described in §7-52-401 has the power and is authorized, under the provisions of this part and on behalf of its municipality acting through the authorization of the board or supervisory body having responsibility for the municipal electric plant, sometimes referred to as "governing board" in this part, to acquire, construct, own, improve, operate, lease, maintain, sell, mortgage, pledge or otherwise dispose of any system, plant, or equipment for the provision of cable service, two-way video

transmission, video programming, Internet services, or any other like system, plant, or equipment within or without the corporate or county limits of such municipality. A municipality may only provide cable service, two-way video transmission, video programming, Internet services or other like service through its board or supervisory body having responsibility for the municipality's electric plant. A municipality providing any of the services authorized by this section may not dispose of all or substantially all of the system, plant, and equipment used to provide such services, except upon compliance with the procedures set forth in §7-52-132.

(2) Before a municipality provides services pursuant to this subsection (a) in an area outside the service area of the municipality's electric system, the municipal electric system shall obtain the consent of each electric cooperative or other municipal electric system in whose territory the municipal electric system will provide such services.

SECTION 3. The authorization provided in Section 1 and Section 2 of this act supplements the authorization granted to municipal electric systems operating pursuant to §7-52-601 on the effective date of this act and the authorization granted to municipal electric systems having received approval pursuant to §7-52-602 as of the effective date of this act.

SECTION 4. Tennessee Code Annotated, Section 7-52-403(a), is amended by deleting the section and by substituting instead the following:

(a) To the extent that it provides any of the services authorized by §7-52-401, a municipality has all the powers, obligations and authority granted entities providing telecommunications services under applicable laws of the United States or the state of Tennessee, including, without limitation, full authority to borrow money from and enter into other financing transactions with private financial institutions upon such terms and

for such purposes as may be authorized by the board or supervisory body having responsibility for the municipal electric plant. To the extent that such authority and powers do not conflict with the provisions of title 65, chapter 4 or 5, and any rules, regulations, or orders issued under title 65, chapter 4 or 5, a municipality providing any of the services authorized by §7-52-401 has all the authority and powers with respect to such services as are enumerated in this chapter.

SECTION 5. Tennessee Code Annotated, Section 7-52-605, is amended by deleting the section and by substituting instead the following:

To the extent that it provides any of the services authorized by this part, a municipal electric system shall have all the powers, obligations, and authority granted entities providing similar services under applicable laws of the United States, the state of Tennessee or applicable municipal ordinances, including, without limitation, full authority to borrow money from and enter into other financing transactions with private financial institutions upon such terms and for such purposes as may be authorized by the board or supervisory body having responsibility for the municipal electric system.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.